

Message Text

CONFIDENTIAL

PAGE 01 BUDAPE 00161 231105Z

43 *
ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 EB-11 COME-00 FEA-02 ACDA-19 TRSE-00 INT-08

CU-04 DRC-01 /162 W
----- 058877

R 230859Z JAN 74
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 726
INFO USMISSION GENEVA

C O N F I D E N T I A L BUDAPEST 0161

E.O. 11652: GDS
TAGS: PFOR, ETRD, HU
SUBJECT: CONVERSATION WITH DEPUTY FOREIGN MINISTER NAGY

REFS: A) BUDAPEST 0003; B) STATE 002392 ON US-HUNGARIAN RELATIONS

GENEVA FOR USDEL CSCE

1. SUMMARY: I HAD FIRST INFORMAL CONVERSATION WITH NAGY ON OUR RELATIONSHIPS AFTERNOON JAN 18 COVERING CSCE, TRADE, VIETNAM, AND CULTURAL RELATIONS. VIETNAM AND CULTURAL RELATIONS (MOSTLY DEAK CASE) REPORTED SEPTELS. GENERAL TENOR OF NAGY REMARKS ON CSCE APPEARED TO BEAR OUT OTHER INDICATIONS OF POSITIVE FACE FROM EES AT THIS SESSION WITHOUT, HOWEVER, MUCH ADDITIONAL ON WHAT CONCRETE CONTENTS MIGHT BE. HE SAID IN CONTRAST TO US ESTIMATES OF 1973 TRADE LEVELS (\$46-55M) HUNGARIAN FIGURES WOULD SHOW \$60M WHERE OURS SHOWED \$55, A LEVEL OF TRADE HE HAD PREVIOUSLY FORECAST. HE ENCOURAGE ME TO CONTINUE TO MAKE WIDESPREAD CONTACTS AMONG HUNGARIANS IN ECONOMIC FIELDS IN ORDER TO GET TO KNOW THAT SITUATION AS THOROUGHLY AS POSSIBLE. NAGY IMPLIED LITTLE PROGRESS WOULD BE MADE ON CULTURAL RELATIONS UNTIL IT WAS CLEARER
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUDAPE 00161 231105Z

WHERE MFN WAS GOING. OBSERVED HUNGARIANS WERE STILL

MTING ISSUE OF CROWN OF ST. STEPHEN ON OUR (MY) ADVICE AND MUSED (NOT SPECIFICALLY IN RELATION TO CROWN) THAT IT SOMETIMES SEEMED WE WERE ASKING MORE FROM THEM THAN THEY WERE GETTING FROM US. END SUMMARY.

2. CSCE. NTOING HE HAD JUST BEEN GIVEN RESPONSIBILITY FOR CSCE IN NEW DIVISION OF DUTIES IN FONOFF, I SAID I HAD IMPRESSION EE POSITION ON FREEDOM OF INFORMATION AT LAST CSCE SESSION HAD BEEN DEFENSIVE. I ALSO HAD IMPRESSION, HOWEVER IT MIGHT BE MORE POSITIVE AT THIS SESSION. NAGY REPLIED THAT THERE WERE MANY "POINTS OF CONTACT" BETWEEN EASTERN AND WESTERN POSITIONS ON THIS ISSUE. SINCE GOH VIEWED ALL FOUR ITEMS IN CSCE AS EQUALLY IMPORTANT BASKET THREE COULD NOT BE GIVEN IMPORTANCE BEYOND OTHER ISSUES. BUT PROGRESS COULD ALSO BE MADE HERE TOO. SUCH PROGRESS, HE SAID, WAS RELATED TO GENERAL DEVELOPMENT OF RELATIONSHIPS, ADDING THAT MANY ASPECTS OF HUNGARY'S CONTACTS WITH WEST WOULD HAVE BEEN UN-THINKABLE TWENTY YEARS AGO.

3. ON SPECIFICS, NAGY SAID UK IDEA OF EUROPEAN MAGAZINE SEEMED LIKE A GOOD ONE AND THAT HUNGARY WOULD FAVOR TELEVISION BROADCASTS INVOLVING DEBATES BETWEEN HUNGARIANS AND WESTERNERS AS LONG AS PROGRAMS WERE LIVE SO THEY COULD NOT BE EDITED. NOTED ONE HAD PREVIOUSLY BEEN PLANNED FOR FRANCE, BUT HAD FALLEN THROUGH. GOH WAS AWARE CSCE COULD NOT LEGISLATE THINGS LIKE RADIO FREE EUROPE OUT OF EXISTENCE AND THAT PROGRESS WOULD HAVE TO BE MADE IN ACCORDANCE WITH LAWS OF RESPECTIVE COUNTRIES. BUT HE THOUGHT PROGRESS COULD BE MADE. ON DISTRIBUTION WESTERN NEWSPAPERS NAGY WAS MORE NEGATIVE, DECLARING WESTERN JOURNALISM INCLUDED SUBSTANTIAL AMOUNTS OF REPORTING ON CRIME, SEX, AND OTHER MATTERS ALIEN TO TRADITIONS HERE.

4. TRADE. NAGY THEN ASKED HOW MATTERS STOOD ON TRADE RELATIONS. I TOLD HIM PRESIDENT WAS STILL COMMITTED TO PASSAGE OF TRADE BILL*INCLUDING MFN AND THAT WE HOPED PROBLEMS COULD BE WORKED OUT IN CONGRESS BUT WERE NOT CERTAIN. NAGY SAID *MBASSADOR SZABO WAS NOT VERY CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUDAPE 00161 231105Z

OPTIMISTIC AND ADDED PERSONAL OBSERVATION HE DID NOT SEE HOW MUCH COULD HAPPEN UNTIL WATERGATE MATTER WAS SETTLED. I SAID I FELT MFN WOULD AT SOM POINT BE SATISFACTORILY RESOLVED. PROBLEM WAS WHETHER WE COULD ACHIEVE THAT THIS YEAR, WHICH REMAINED OUR AIM.

5. I EXPRESSED APPRECIATION FOR LIST OF MAJOR COPERA-TIONS PROJECTS GIVEN SECRETARY DENT AND SAID IT WAS

BEING DISTRIBUTED THROUGHOUT GOVT AND TO INDUSTRIES CONCERNED. OBSERVED THAT IN FUTURE THESE LISTS WOULD BE EVEN MORE HELPFUL IF THEY WERE SPECIFIC (POINT WE WILL ALSO MAKE WITH MINISTRY OF FOREIGN TRADE). I TOLD NAGY OUR LATEST ESTIMATE SHOWED PROBABLY 1973 TRADE IN RANGE OF \$46-55 MILLION. THIS WAS GOOD ADVANCE BUT NOT AS GOOD AS I HAD THOUGHT, AS PERCENTAGE INCREASE WAS WELL BEHIND THAT WITH OTHER COUNTRIES, UCH AS POLAND AND BULGARIA. BECUASE OF DIFFERENCES IN METHODS OF CALCULATION, NAGY SAID HUNGARIAN FIGURES WOULD SHOW \$60M IN TRADE IF OUR SHOWED \$55M. FIGURE HE HAD PREVIOUSLY PREDICTED OUR TRADE WOULD REACH. HE DID NOT BELIEVE WE COULD COMPARE RATE OF INCREASE ADEQUATELY WITH BULGARIA BECAUSE ITS BASE WAS TOO LOW: OR WITH POLAND WHERE HE FELT SPECIAL FACTORS WERE INVOLVED. NAGY ENCOURAGED ME TO CONTINUE TO MAKE WIDESPREAD CONTACTS AMONG HUNGARIANS IN ECONOMIC FIELD IN ORDER TO KNOW THEIR SUTIATION AS THOROUGHLY AS POSSIBLE.

6. AT OUTSET OF MEETING, I HAD MADE GENERAL POINT OF OUR SATISFACTION WITH IMPROVEMENT OF RELATIONS LAST YEAR AND OUR HOPE TREND WOULD CONTINUE THIS YEAR. STATEMENTS WHICH NAGY RECIPROCATED. ALSO AT OUTSET NAGY AND I AGREED THAT, WHILE WE WERE OF COURSE BOTH SPEAKING WITHIN FRAMEWORK OF POLICY POSITIONS OF OUR GOVERNMENTS, WE WOULD SPEAK MORE FREELY THAN I
E E E E E E E

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, ECONOMIC COOPERATION, MFN, COLLECTIVE SECURITY, TRADE, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUDAPE00161
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740122/aaaaausx.tel
Line Count: 136
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) BUDAPEST 0003; B) STATE 002392 ON
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 15 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 MAY 2002 by rowelle0>; APPROVED <26 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONVERSATION WITH DEPUTY FOREIGN MINISTER NAGY
TAGS: PFOR, ETRD, HU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005